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BEFORE THE ARIZONA CORPORATION COMMISSION  
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2010 APR -8 P 3:43

AZ CORP COMMISSION  
DOCKET CONTROL

IN THE MATTER OF THE TRICO ELECTRIC  
COOPERATIVE, INC.'S APPLICATION FOR  
APPROVAL OF A NET METERING TARIFF.

DOCKET NO. E-01461A-09-0450

**APPLICATION UNDER  
A.R.S. § 40-252 TO REOPEN  
DOCKET TO CONSIDER  
POSSIBLE AMENDMENT OF  
DECISION NO. 71462**

Trico Electric Cooperative, Inc. ("Trico") hereby requests the Arizona Corporation Commission to reopen this docket in order to consider whether to alter or amend Decision No. 71462 (January 26, 2010), which approved Trico's Net Metering Tariff. Trico proposes that the docket be reopened for the limited purpose of: (i) formally including in the record the data request responses that Trico provided to Commission Staff and Intervenor Arkoosh in this docket and (ii) considering the possible alteration or amendment of Decision No. 71462 with respect to the narrow issue set forth in the Application for Rehearing filed in this docket on February 4, 2010. In support of this Application, Trico states as follows:

1. On September 18, 2009, Trico filed with the Commission an Application for Approval of its Net Metering Tariff.

2. On October 28, 2009, the Commission granted intervention in this docket to James Arkoosh, a Trico Member ("Arkoosh").

3. As part of the Commission's consideration of Trico's application, Trico provided responses to data requests from Commission Utilities Division Staff ("Commission Staff"). Copies of the data request responses that Trico provided to Commission Staff in this docket are attached as Exhibit A.

Arizona Corporation Commission

**DOCKETED**

APR - 8 2010

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1           4.       Trico also responded to data requests propounded by Arkoosh and provided copies  
2 of those responses to Commission Staff. Copies of the responses to the Arkoosh data requests that  
3 were provided to Commission Staff are attached as Exhibit B.

4           5.       Consistent with the practice in net metering tariff proceedings for other Arizona  
5 electric utilities, the data responses were provided directly to Commission Staff and not formally  
6 filed in the docket.

7           6.       Trico's responses to the data requests in this docket were reviewed and referenced  
8 by Staff in its Staff Report recommending approval of Trico's net metering tariff and in Decision  
9 No. 71462. Arkoosh also referenced data request responses in his filings in the docket and during  
10 his comments at the January 13, 2010 Commission open meeting where Trico's Net Metering  
11 Tariff was considered and approved.

12           7.       The Commission voted to approve Trico's Net Metering Tariff at the January 13,  
13 2010 open meeting and Decision No. 71462 approving the Net Metering Tariff was docketed on  
14 January 26, 2010.

15           8.       On February 4, 2010, Arkoosh filed an Application for Rehearing of Decision No.  
16 71426. The Application for Rehearing raised the narrow issue that the Administrative Charge  
17 approved by the Commission was not supported by information required by A.A.C. R14-2-2305.  
18 However, the data request responses that were provided to Commission Staff and Arkoosh fully  
19 supported the Administrative Charge. The Application for Rehearing was denied by operation of  
20 law on February 23, 2010.

21           9.       On March 18, 2010, Arkoosh filed a Notice of Appeal with the Arizona Court of  
22 Appeals (2CA-CC-2010-0001) based on the issue raised in the Application for Rehearing.  
23 Including the attached data request responses as part of the formal record will ensure that all  
24 relevant information in support of Decision No. 71426 is available in the Commission's docket.

**ROSKA DEWULF & PATTEN, PLC**  
ONE ARIZONA CENTER  
400 EAST VAN BUREN STREET - SUITE 800  
PHOENIX, ARIZONA 85004  
TELEPHONE NO 602-256-6100  
FACSIMILE 602-256-6800

**Relief Requested**

Pursuant to A.R.S. 40-252, Trico moves to reopen the docket for the limited purpose of:  
(i) including in the record of this docket the attached materials previously provided to Commission Staff and Intervenor Arkoosh and (ii) determining whether, in light of those materials, Decision No. 71462 should be altered or amended based on the narrow issue raised in the Application for Rehearing filed on February 4, 2010.

RESPECTFULLY SUBMITTED this 8<sup>th</sup> day of April, 2010.

ROSKA DEWULF & PATTEN, PLC

By 

Michael W. Patten  
One Arizona Center  
400 East Van Buren Street, Suite 800  
Phoenix, Arizona 85004

Attorneys for Trico Electric Cooperative, Inc.

Original and 13 copies of the foregoing  
filed this 8<sup>th</sup> day of April, 2010 with:

Docket Control  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Copy of the foregoing hand-delivered/mailed  
this 8<sup>th</sup> day of April, 2010 to:

Lyn Farmer, Esq.  
Chief Administrative Law Judge  
Hearing Division  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

Janice M. Alward, Esq.  
Chief Counsel, Legal Division  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

**ROSKA DEWULF & PATTEN, PLC**

ONE ARIZONA CENTER  
400 EAST VAN BUREN STREET - SUITE 800  
PHOENIX, ARIZONA 85004  
TELEPHONE NO 602-256-6100  
FACSIMILE 602-256-6800

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Steve Olea  
Director, Utilities Division  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

By 

# EXHIBIT

"A"

**Karen Cathers**

---

**From:** Karen Cathers [kcathers@trico.coop]  
**Sent:** Monday, October 05, 2009 1:30 PM  
**To:** 'JPasquinelli@azcc.gov'  
**Cc:** 'Marsha Regrutto'; Vincent Nitido (vnitido@trico.coop); 'Caroline Gardiner'  
**Subject:** RE: Trico's Net Metering Tariff (09-0450)  
**Attachments:** AEPCO2008\_2009 Energy Rates.xls

Jeff,

In response to your question below, the annual average avoided cost is defined in the Trico Net Metering Tariff as the average annual wholesale fuel and energy costs per kWh charged by the cooperative's wholesale power supplier, Arizona Electric Power Cooperative, Inc. (AEPCO). This definition reflects the incremental costs to the cooperative that the cooperative would purchase from AEPCO for energy, but for the purchase from the Net Metering Facility output. The annual average avoided cost per kWh is the price paid by Trico to the net metering customer for any excess energy credit at the end of the calendar year true up period (May 1 through April 30).

The AEPCO energy price is set by a Commission approved rate tariff (base rate) plus a Commission approved fuel and purchase power cost adjustor (FPPCA), which AEPCO modifies through a semi-annual filing required by the Commission that results in new FPPCA rates each year on April 1 and October 1. Attached find a spreadsheet summarizing the AEPCO actual energy rates charged to Trico for the period of May 2008 through April 2009, which as an example Trico would use for the purpose of determining the billing credit for the balance of any excess at the end of this example annual period (results in an annual average avoided cost of \$0.04205/kWh).

Please let me know if this does not fully respond to your question.

Thanks,  
Karen

Trico Electric Cooperative, Inc.  
(520) 744-2944 ext1335

---

**From:** Jeffrey Pasquinelli [mailto:JPasquinelli@azcc.gov]  
**Sent:** Thursday, October 01, 2009 11:07 AM  
**To:** Marsha Regrutto  
**Subject:** RE: Trico's Net Metering Tariff (09-0450)

Please consider this as informal discovery. I am not sure you are the correct person, Marsha, but please forward if necessary.

Thank You,

Jeff Pasquinelli  
ACC Staff  
602-542-4382

The Net Metering Rules sate:

3/29/2010

R14-2-2306. Billing for Net Metering

- F. Once each calendar year the Electric Utility shall issue a check or billing credit to the Net Metering Customer for the balance of any credit due in excess of amounts owed by the Customer to the Electric Utility. The payment for any remaining credits shall be at the Electric Utility's Avoided Cost. That Avoided Cost shall be clearly identified in the Electric Utility's Net Metering tariff.

Trico's tariff application does not state the avoided cost rate as required by the final sentence in this paragraph.

Please supply Staff with the rate Trico would use in payment for any remaining credits.

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postmaster@azcc.gov =====

Arizona Corporation Commission  
 Informal Discovery Request to Trico Electric Cooperative  
 Docket No. E-01461A-09-0450

**2008-2009 Historical Arizona Electric Power Cooperative Rates**

Month	Year	Base Energy Rate \$/kWh	Fuel Adjustor (FPPCA) \$/kWh	Total Energy Rate \$/kWh
May	2008	0.02073	0.01272	0.03345
Jun	2008	0.02073	0.01272	0.03345
Jul	2008	0.02073	0.01476	0.03549
Aug	2008	0.02073	0.01476	0.03549
Sep	2008	0.02073	0.01476	0.03549
Oct	2008	0.02073	0.02674	0.04747
Nov	2008	0.02073	0.02674	0.04747
Dec	2008	0.02073	0.02674	0.04747
Jan	2009	0.02073	0.02674	0.04747
Feb	2009	0.02073	0.02674	0.04747
Mar	2009	0.02073	0.02674	0.04747
Apr	2009	0.02073	0.02563	0.04636
Average Annual		0.02073	0.02132	0.04205



**Karen Cathers**

---

**From:** Karen Cathers [kcathers@trico.coop]  
**Sent:** Wednesday, October 14, 2009 8:09 AM  
**To:** 'JPasquinelli@azcc.gov'  
**Cc:** 'Hedrick, David'; 'Marsha Regrutto'; 'Caroline Gardiner'; 'Vin Nitido (vnitido@trico.coop)'; 'Janice Rast'  
**Subject:** Trico's Net Metering Tariff (09-0450)  
**Attachments:** Schedule DH1.pdf

Jeff,

In response to your informal discovery below, the administrative charge included in the Trico proposed net metering tariff of \$4.38 per month is in addition to the charges as billed in accordance with rates and charges under the standard rate schedule. The administrative charge recovers certain incremental costs associated with the additional data requirements required to ensure accurate billing of the customer as well as to determine the cost allocations between Trico, AEPCO and the customer in providing net metering service. In order to determine the appropriate billing for the net metering customer Trico requires at a minimum by-directional 30-minute interval data. The additional monthly cost to collect this data and process it corresponds to \$4.38.

Schedule DH-1 attached provides the calculation of the additional cost and components. The total cost for interval data retrieval of \$5.00 per month corresponds directly to the cell phone charge that Trico receives to download the monthly 30-minute interval data from each meter (charge is based on total data transfer not on the number of times the meter is called). The total cost for interval data reduction/storage of \$1 is to provide a representative portion of the cost for Trico to store, check and reduce the data to monthly total values for transfer to the Trico billing software. The \$6 amount is reduced by \$1.62 which is the meter reading cost included in Trico's standard rate tariffs. The result is an incremental additional monthly meter reading cost for the net metering customer of \$4.38.

Please let me know if you need additional information.

Thank you,  
Karen

---

**From:** Jeffrey Pasquinelli [mailto:JPasquinelli@azcc.gov]  
**Sent:** Wednesday, October 07, 2009 1:08 PM  
**To:** Karen Cathers  
**Subject:** RE: Trico's Net Metering Tariff (09-0450)

Please consider this as informal discovery.

Thank You,

Jeff Pasquinelli  
ACC Staff  
602-542-4382

Trico proposes a monthly data cost rate for net metering customers of \$4.38.

3/29/2010

Please provide the complete cost support for this charge.

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## TRICO ELECTRIC COOPERATIVE, INC

DEVELOPMENT OF MONTHLY ADMINISTRATIVE CHARGE  
FOR NET METERING TARIFF

Total Cost for Interval Data Retrieval	\$	5.00
Total Cost for Interval Data Reduction/Storage	\$	1.00
Total Meter Reading Cost for Net Metered Customer	\$	6.00
Meter Reading Cost Recovered in Standard Rate	\$	1.62
Additional Meter Reading Cost	\$	4.38

**Karen Cathers**

---

**From:** Karen Cathers [kcathers@trico.coop]  
**Sent:** Wednesday, October 14, 2009 8:44 AM  
**To:** 'Jeffrey Pasquinelli'  
**Cc:** 'Hedrick, David'; 'Marsha Regrutto'; 'Caroline Gardiner'; 'Vin Nitido (vnitido@trico.coop)'; 'Janice Rast'  
**Subject:** RE: Trico's Net Metering Tariff (09-0450)

Jeff,

In the Trico Net Metering Tariff definitions section, the Calendar Year is defined as May 1 through April 30, for the purpose of determining the billing credit for the balance of any credit due in excess of the amounts owed by the customers to the Cooperative.

Although the net metering tariff allows for the carryover of excess energy produced to be used in subsequent billing months, the Calendar Year true-up limits that carry over for full credit at the retail rate to a twelve month period. The definition of the Calendar Year twelve months ending April 30 will allow Trico to appropriately compensate the customer for excess energy generated in the off-peak season at avoided cost. Preventing the carry over of excess energy produced in the off-peak season to be used in the on-peak summer season will reduce the negative financial impact on the cooperative, as well as, provide an incentive for net metering customers to size their generation to more closely fit their actual load requirements.

The last billing month would coincide with April of each year and would include the period of May 1 through April 30. Trico would expect to issue the check for any net metering credit in June of each year such that we can include any credits through April 30 from the May bills. Trico did not plan to negotiate the timing of the credit payment with the net metering customer.

Please let me know if you need any additional information.

Thank you,  
Karen

---

**From:** Jeffrey Pasquinelli [mailto:JPasquinelli@azcc.gov]  
**Sent:** Thursday, October 08, 2009 10:55 AM  
**To:** Karen Cathers  
**Subject:** RE: Trico's Net Metering Tariff (09-0450)

Please consider this another Staff informal discovery request.

Thank You,  
Jeff Pasquinelli  
ACC Staff  
602-542-4382

With respect to payment for excess generation, please specify the month of the last billing period.

3/29/2010

The proposed tariff under Billing, Paragraph C indicates that  
“...for the last billing period of each calendar year...the Cooperative shall issue a  
check ...

In what specific month would this reconciliation take place?  
Could the timing of the payment be negotiated with the net metering customer?

=====

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postmaster@azcc.gov =====

**Karen Cathers**

---

**From:** Karen Cathers [kcathers@trico.coop]  
**Sent:** Tuesday, October 20, 2009 9:40 AM  
**To:** 'Jeffrey Pasquinelli'  
**Cc:** 'Hedrick, David'; 'Caroline Gardiner'; 'Marsha Regrutto'; Vincent Nitido (vnitido@trico.coop)  
**Subject:** RE: Trico's Net Metering Tariff (09-0450)

Jeff,

In response to your informal discovery request below, the standard Trico residential meter currently has a price of approximately \$134. This meter is not able to provide the bi-directional interval data necessary to bill a net metering customer. The standard Trico meter capable of providing the data for net metering currently runs about \$350.

The Cooperative net metering tariff includes a one-time up-front payment to Trico to cover any incremental cost of the meter. The pricing for the smarter meters has come down over the last few years and we hope that this trend will continue. Some existing customers already have the smarter meter capable of providing the data for net metering (e.g. time-of-use customers and cogeneration customers). Trico will only charge the incremental meter cost for those customers that require a meter upgrade for net metering service and will base this incremental cost on the actual meter price.

Please let me know if you need any additional information.

Thanks,  
Karen

Trico Electric Cooperative, Inc.  
(520) 744-2944 ext 1335

---

**From:** Jeffrey Pasquinelli [mailto:JPasquinelli@azcc.gov]  
**Sent:** Monday, October 19, 2009 11:38 AM  
**To:** Karen Cathers  
**Subject:** Trico's Net Metering Tariff (09-0450)

Please consider this another Staff informal discovery request concerning your proposed Net Metering tariff. Please note that I must submit my report by October 26 for this issue to be on the Commission's November open meeting (Nov 19 and 20).

Thank You,  
Jeff Pasquinelli  
ACC Staff  
602-542-4382

Ttico's proposed tariff states "... the incremental metering costs for bi-directional metering will be incurred by the customer..."

Please state the amount of these incremental costs to be charged to Net Metering customers, and include support for such costs.

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postmaster@azcc.gov =====

## Karen Cathers

---

**From:** Karen Cathers [kcathers@trico.coop]  
**Sent:** Monday, October 26, 2009 2:47 PM  
**To:** 'Jeffrey Pasquinelli'  
**Cc:** 'Vin Nitido'; 'Hedrick, David'; Caroline Gardiner (cgardiner@trico.coop); 'Marsha Regrutto'  
**Subject:** RE: More Questions

**Attachments:** Trico Net Metering Tariff Informal Data Request Response E-01461A-09-0450 102609.doc;  
Schedule DH1.pdf



Trico Net Metering Schedule DH1.pdf  
Tariff Info... (54 KB)

Jeff,

After reviewing our data and discussing with our rate consultant, we do not have any substantive new information regarding your questions. However, in the attached document Trico has tried to answer your request in a more formal manner with some additional clarification that hopefully you will find helpful.

Please let me know if this does not provide what you needed.

Thank you,  
Karen

Trico Electric Cooperative, Inc.  
(520) 744-2944 ext 1335

-----Original Message-----

From: Jeffrey Pasquinelli [mailto:JPasquinelli@azcc.gov]  
Sent: Wednesday, October 21, 2009 7:17 AM  
To: Karen Cathers  
Subject: FW: More Questions

Please consider this another Staff discovery request concerning your Cooperative. Please note that I must submit my report by October 28 for this issue to be on the Commission's November open meeting (Nov 19 and 20).

I realize you provided something on the \$4.38 previously; this is more formal and asks For additional information.

Thank You,

Jeff Pasquinelli

ACC Staff

602-542-4382

The Net Metering rules state:

R14-2-2305. New or Additional Charges

Net Metering charges shall be assessed on a nondiscriminatory basis. Any proposed charge that would increase a Net Metering Customer's costs beyond those of other customers with



similar load characteristics or customers in the same rate class that the Net Metering Customer would qualify for if not participating in Net Metering shall be filed by the Electric Utility with the Commission for consideration and approval. The charges shall be fully supported with cost of service studies. The Electric Utility shall have the burden of proof on any proposed charge.

a) Trico would install a bi-directional meter with Incremental metering costs to be incurred by the customer.

b) Trico is proposing a \$4.38 / month administrative charge for additional meter and billing costs associated with Net Metering Customers.

These charges would be considered to be new or additional as defined by the above-quoted paragraph. Please provide full cost support for these charges as required by the Rules.

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**RESPONSE OF TRICO ELECTRIC COOPERATIVE  
TO ARIZONA CORPORATION COMMISSION  
STAFF'S INFORMAL SET OF DATA REQUESTS  
DOCKET NO. E-01461A-09-0450  
October 26, 2009**

**Question:** The Net Metering rules state:

R14-2-2305. New or Additional Charges Net Metering charges shall be assessed on a non discriminatory basis. Any proposed charge that would increase a Net Metering Customer's costs beyond those of other customers with similar load characteristics or customers in the same rate class that the Net Metering Customer would qualify for if not participating in Net Metering shall be filed by the Electric Utility with the Commission for consideration and approval. The charges shall be fully supported with cost of service studies. The Electric Utility shall have the burden of proof on any proposed charge.

a) Trico would install a bi-directional meter with Incremental metering costs to be incurred by the customer.

b) Trico is proposing a \$4.38 / month administrative charge for additional meter and billing costs associated with Net Metering Customers.

These charges would be considered to be new or additional as defined by the above-quoted paragraph. Please provide full cost support for these charges as required by the Rules.

**Response:**

a) The Cooperative net metering tariff includes a one-time up-front payment to Trico from the customer to cover any incremental cost of the meter if they require an upgraded meter due solely for Trico to provide net metering service. The pricing for the smarter meters has come down over the last few years and we hope that this trend will continue. Some existing customers already have the smarter meter capable of providing the data for net metering (e.g. certain time-of-use customers and cogeneration customers). Trico will only charge the incremental meter cost for those customers that require a meter upgrade for net metering service and will base this incremental cost on the actual meter price.

The standard Trico residential meter currently has a price of approximately \$134. This meter is not able to provide the bi-directional interval data necessary to bill a net metering customer. The standard Trico meter capable of providing the data for net metering currently runs about \$350.

**RESPONSE OF TRICO ELECTRIC COOPERATIVE  
TO ARIZONA CORPORATION COMMISSION  
STAFF'S INFORMAL SET OF DATA REQUESTS  
DOCKET NO. E-01461A-09-0450  
October 26, 2009**

- b) The administrative charge included in the Trico proposed net metering tariff of \$4.38 per month is in addition to the charges as billed in accordance with rates and charges under the standard rate schedule. The administrative charge recovers certain incremental costs associated with the additional data requirements required to ensure accurate billing of the net metered customer as well as to determine the cost allocations between Trico, AEPCO and the customer in providing net metering service. In order to determine the appropriate billing for the net metering customer Trico requires at a minimum by-directional 30-minute interval data. The additional monthly cost to collect this data and process it corresponds to \$4.38.

Schedule DH-1 attached provides the calculation of the additional cost and components. The total cost for interval data retrieval of \$5.00 per month corresponds directly to the cell phone charge that Trico receives to download the monthly 30-minute interval data from each meter (charge is based on total data transfer not on the number of times the meter is called). The total cost for interval data reduction/storage of \$1 is to provide a representative portion of the cost for Trico to store, check and reduce the data to monthly total values for transfer to the Trico billing software. The \$6 amount is reduced by \$1.62 which is the meter reading cost included in Trico's standard rate tariffs. The result is an incremental additional monthly meter reading cost for the net metering customer of \$4.38.

The charges described in a) and b) are based on the difference between the cost to provide service to a standard customer versus the increased cost for a net metering customer. The standard costs included in the approved tariffs were based on the Trico cost of service study approved by the commission in Trico's last rate case (Decision No. 71230). As shown above, the increased cost to provide services to the net metering customer are based on the actual estimate of costs. The information provides a simple incremental cost of service analysis.

**Prepared By:** Karen Cathers, Manager of Contracts and Regulatory Affairs

Schedule DH-1

TRICO ELECTRIC COOPERATIVE, INC

DEVELOPMENT OF MONTHLY ADMINISTRATIVE CHARGE  
FOR NET METERING TARIFF

Total Cost for Interval Data Retrieval	\$	5.00
Total Cost for Interval Data Reduction/Storage	\$	1.00
Total Meter Reading Cost for Net Metered Customer	\$	6.00
Meter Reading Cost Recovered in Standard Rate	\$	1.62
Additional Meter Reading Cost	\$	4.38

**Karen Cathers**

---

**From:** Karen Cathers [kcathers@trico.coop]  
**Sent:** Wednesday, December 02, 2009 4:55 PM  
**To:** 'Jeffrey Pasquinelli'  
**Cc:** 'Hedrick, David'; 'Caroline Gardiner'; Vincent Nitido (vnitido@trico.coop)  
**Subject:** RE: Net Metering  
**Attachments:** AEPCO2008\_2009 Energy Rates.xls

Jeff,

Trico's most recent average annual wholesale fuel and energy cost charged from AEPCO (for the period of May 2008 through April 2009) is \$0.04205/kWh, as detailed in the attached spreadsheet. AEPCO modifies its Fuel and Purchase Power Cost Adjustor (FPPCA) through a semi-annual filing required by the Commission that results in new FPPCA rates each year on April 1 and October 1. Thus, if Trico has specified a current avoided cost in our net metering tariff we may need to either re-file each year with the updated avoided cost number or leave it based on the avoided cost of the year we filed the tariff, which may not reflect Trico's actual avoided cost in future periods.

Please let me know if you need additional information.

Thanks,  
Karen

---

**From:** Jeffrey Pasquinelli [mailto:JPasquinelli@azcc.gov]  
**Sent:** Wednesday, December 02, 2009 8:52 AM  
**To:** Karen Cathers  
**Subject:** Net Metering

Trico defines its avoided costs as

the average annual wholesale fuel and energy costs per **kwh** energy purchased from the Cooperative's  
wholesale power supplier during the calendar

year.

This is OK, but the Rules say to specify the actual avoided cost rates that will be paid.

Please send me the current avoided cost rates that Trico would pay a net metering customer. This will have to be in the Open Meeting memo and order for Commission approval. December Open Meeting is Dec 15, so please reply soon.

Thanks,

Jeff Pasquinelli  
ACC Staff  
602-542-4382

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3/29/2010

Arizona Corporation Commission  
 Informal Discovery Request to Trico Electric Cooperative  
 Docket No. E-01461A-09-0450

**2008-2009 Historical Arizona Electric Power Cooperative Rates**

Month	Year	Base Energy Rate \$/kWh	Fuel Adjustor (FPPCA) \$/kWh	Total Energy Rate \$/kWh
May	2008	0.02073	0.01272	0.03345
Jun	2008	0.02073	0.01272	0.03345
Jul	2008	0.02073	0.01476	0.03549
Aug	2008	0.02073	0.01476	0.03549
Sep	2008	0.02073	0.01476	0.03549
Oct	2008	0.02073	0.02674	0.04747
Nov	2008	0.02073	0.02674	0.04747
Dec	2008	0.02073	0.02674	0.04747
Jan	2009	0.02073	0.02674	0.04747
Feb	2009	0.02073	0.02674	0.04747
Mar	2009	0.02073	0.02674	0.04747
Apr	2009	0.02073	0.02563	0.04636
Average Annual		0.02073	0.02132	0.04205

**Karen Cathers**

---

**From:** Karen Cathers [kcathers@trico.coop]  
**Sent:** Friday, February 12, 2010 11:44 AM  
**To:** 'Jeffrey Pasquinelli'  
**Cc:** 'Vincent Nitido'; 'Janice Rast'  
**Subject:** Additional Information Related to Trico Net Metering Administrative Charge  
**Attachments:** ssi services agr\_20100210133834.pdf

Jeff,

The intent of this email is to provide some additional information related to the Trico Net Metering Tariff Administrative Charge as approved by the Commission in Decision No. 71462 of \$3.38 per month.

Trico provides for Net Metering by installing a "SmartSynch" meter which is capable of measuring energy flow both to the customer and from the customer (by-directional). Trico's standard meter used for residential and residential time-of-use is not capable of by-directional metering. The data communication from each SmartSynch meter is accomplished through a cell phone service provided by SmartSynch, Inc. to Trico as part of a meter services agreement. Attached find the SmartSynch Services Agreement (Agreement), which includes the fees on the last page entitled "Exhibit B – Fee Schedule".

The fee schedule in the Agreement includes collecting by-directional data on a 15 minute interval and transferring that data each month to Trico via cell phone communication. SmartSynch has agreed to lower its charge from \$7 per month to \$5 per month for single phase by-directional 30 minute interval data. All the Trico customers who take service on the Trico Net Metering Tariff will have a SmartSynch meter installed, which will provide Trico the by-directional 30-minute interval data each month. Once we have customers on the Net Metering Tariff for a full billing cycle we should be able to provide you with the actual invoice from SmartSynch with a record of the \$5 per month charge for each meter.

The \$5 incremental charge is reduced by \$1.62 which is the meter reading cost included in Trico's standard rate tariffs. The result is an incremental additional monthly cost for the net metering customer of \$3.38. The Administrative Charge does not include any dollars associated with the incremental cost of the meter of approximately \$200 per meter.

Please let me know if you have questions or need additional information.

Thank you,  
Karen

Trico Electric Cooperative, Inc.  
(520) 744-2944 ext 1335

3/29/2010

## SSI SERVICES AGREEMENT

This SSI Services Agreement ("Agreement") is made and entered into by and between SmartSynch, Inc. ("SSI"), a Delaware corporation, and TRICO ("Company"), a ARIZONA corporation.

WHEREAS, SSI provides services in support of and related to its proprietary SmartMeter™ wireless data processing system;

WHEREAS, Company desires to receive SSI's services for use in connection with Company's Application (as defined in Exhibit A); and

WHEREAS, SSI desires to provide its services to Company for use in connection with the Application pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the covenants and obligations contained herein, the parties agree as follows:

1. **Definitions.** All capitalized terms used herein shall have the meanings given to them in the terms and conditions set forth in Exhibit A attached hereto and incorporated herein by this reference, unless otherwise indicated.
2. **Services.** SSI agrees to provide to Company the Services, subject to and in accordance with the terms and conditions of this Agreement, including without limitation, the terms and conditions contained on Exhibit A.
3. **Fees.** In exchange for its receipt of the Services, Company agrees to pay SSI the fees and charges set forth in Exhibit B ("Fees Schedule") attached hereto and incorporated herein by this reference.
4. **Term.** The term of this Agreement shall commence as of the date this Agreement is executed by SSI ("Effective Date") and shall continue for a period of two (2) year(s) thereafter ("Initial Term"). The Initial Term of this Agreement will automatically renew for additional, successive one (1) year terms (each a "Renewal Term") upon the expiration of the Initial Term and any Renewal Terms, unless either party notifies the other of its desire to terminate this Agreement no later than sixty (60) days prior to the expiration of the then current term. The Initial Term and all Renewal Terms, if any, shall collectively be known as the "Term" of this Agreement.
5. **Notice.** Any notice or other communication herein required or permitted to be given shall be in writing and may be personally served, delivered via certified mail return receipt requested, or delivered by a recognized overnight courier. Notice shall be deemed to have been received (a) on the date of delivery when delivered in-person and signed for by the person to whom the notice is addressed, (b) on the date of delivery as indicated by the postal service when delivered by certified mail, or (c) on the date of delivery as indicated by the overnight courier when delivered by overnight courier service. Notices shall be delivered to the following persons and addresses, unless otherwise indicated in writing by the parties during the Term:



To SSI: SmartSynch, Inc.  
4400 Old Canton Road  
Suite 300  
Jackson, MS 39211

Telephone: (601) 362-1780  
Facsimile: (601) 362-1787  
Attention: Stephen D. Johnston

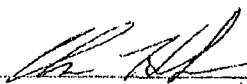
To Company:

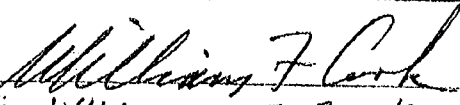
Telephone:  
Facsimile:  
Attention:

IN WITNESS WHEREOF, SSI and Company have executed this Agreement as of the Effective Date.

SMARTSYNCH, INC.

COMPANY: TRICO

  
By: Chris Henderson  
Title: V. P.  
Date: 1/20/06

  
By: WILLIAM F. COOK  
Title: TECHNICAL SERVICES SUPERVISOR  
Date: 1/17/06

## Exhibit A - Terms and Conditions

### 1. Definitions.

(a) **Affiliate:** As applied to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, that Person. For purposes of this definition, "control" (including with correlative meanings, the terms "controlling", "controlled by", and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person through the ownership of voting securities, by contract or otherwise.

(b) **Airtime Provider:** The Person or Persons that provide and control the two-way wireless messaging system network which SSI uses to provide its Data Processing Services.

(c) **Application:** The automation systems of Company, including but not limited to automated meter reading.

(d) **Confidential Information:** Any business, marketing, sales, financial or technical information, including, without limitation, any information relating to present and future business operations or financial condition, and all other information of any kind which may reasonably be deemed confidential or proprietary, disclosed by one party to the other pursuant to this Agreement, including without limitation information which is designated or identified as "confidential," "proprietary" or in some other manner to indicate its confidential nature. The terms and conditions of this Agreement will be deemed Confidential Information of both parties. Notwithstanding the above, "Confidential Information" does not include information that (i) is or becomes generally known or available by publication, commercial use or otherwise through no fault of the receiving party; (ii) was known by the receiving party at the time of disclosure by the disclosing party as evidenced by competent written proof; (iii) is independently developed by the receiving party without use of the disclosing party's Confidential Information, reasonable proof of which can be demonstrated by the receiving party; or (iv) is lawfully obtained from a third Person who has the right to make such disclosure without restriction.

(e) **Customer:** A customer of Company that is an end-user of the Application.

(f) **Data Processing Services:** The collection, analysis and reporting of utility meter data provided by SSI.

(g) **Person:** Any individual, company, corporation, firm, partnership, joint venture, association, organization or trust, in each case whether or not having a separate legal identity.

(h) **PIN:** A unique, Transceiver specific, personal identification number or other form of identification number to be assigned by SSI in accordance with the provisions of Section 3(b) below.

(i) **Services:** The services provided by SSI to Company pursuant to this Agreement including but not limited to Data Processing Services and Training Services.

(j) **SSI Network:** That portion of Airtime Provider's two-way wireless messaging system network, utilized by SSI to provide its Data Processing Services.

(k) **Training Services:** Training programs provided by SSI to Company for instruction in use of the SmartMeter™ system and related software.

(l) **Transceiver:** Any fixed location wireless messaging unit owned or controlled by Company that SSI deems acceptable for use on the SSI Network in connection with the Application.

### 2. Services - Conditions of Use.

(a) SSI will provide the Services to Company for use only in connection with the Application. Any use of the Services by Company or Customers other than as permitted under this Agreement is expressly prohibited. SSI shall be permitted to provide the Services through its Affiliates.

(b) SSI's provision of the Services to Company shall at all times be subject to:

(i) the terms and conditions set forth in this Agreement;

(ii) the availability of SSI Network; and

(iii) SSI's or Airtime Provider's approval of the Application and its compatibility with the Services and the SSI Network.

(c) Should Company's or a Customer's use of the Application adversely affect the SSI Network, any Transceiver, or the ability of SSI or Airtime Provider to provide their respective services in an efficient and timely manner, SSI shall have the right, without any liability to Company or its Customers, to discontinue the provision of Data Processing Services until such time as the problem is resolved to the satisfaction of SSI and Airtime Provider.

(d) Company shall provide, at no cost to SSI, dedicated or dial-up access lines and trunks (i.e., no 800/888 access) to the SSI Network as may be necessary for data entry and retrieval by Company and/or its Customers. Neither SSI nor Airtime Provider shall have any obligation to provide or supply any such access lines and trunks to Company or its Customers.

(e) This Agreement shall not constitute an exclusive arrangement between the parties, and, notwithstanding anything to the contrary herein, SSI expressly reserves the right, among other things, to promote, solicit, market and sell the Services, or any other data processing or information services and applications available by or through SSI and its Affiliates, directly or indirectly to other Persons.

### 3. Transceivers.

(a) All Transceivers utilized by SSI to provide the Data Processing Services shall comply with the terms and conditions of this Agreement and such other requirements as SSI may provide to Company in writing from time to time. Failure by Company to comply with SSI's policies, directives and procedures for activation may lead to delay in the activation of a Transceiver.

(b) SSI shall assign a PIN to each Transceiver to be utilized by SSI to provide the Data Processing Services. All PINs assigned by SSI shall remain the property of SSI or Airtime Provider. SSI or Airtime Provider shall have the right to utilize PINs which are not utilized by Company, as well as PINs associated with deactivated Transceivers, as SSI or Airtime Provider may determine from time to time.

4. **Activation Procedures.** Transceivers will be activated for use on the SSI Network within seventy-

two (72) hours of SSI's receipt of Company's written request for activation.

5. **Training Services.** At Company's request, SSI will provide Training Services at times and locations mutually agreeable to the parties. Company shall bear all Company costs and expenses incurred by Company in receiving the Training Services. Company shall pay to SSI the Training Services fees as set forth in the Fees Schedule. Company shall reimburse SSI for all reasonable out-of-pocket travel and lodging expenses associated with such Training Services.

### 6. Fees.

(a) Company shall pay to SSI the fees and charges set forth in the Fees Schedule in exchange for the Services received by Company. The fees and charges reflected in the Fees Schedule are applicable only to Services provided in connection with the Application.

(b) The fees and charges set forth in the Fees Schedule apply to Services provided by SSI in the geographic areas covered by the SSI Network as of the Effective Date, and as such geographic areas may be expanded from time to time in the normal course of SSI's business. SSI will cooperate with Company in conveying to Airtime Provider any requests by Company to expand the geographic areas covered by the SSI Network to include Company designated locations. Company acknowledges, however, that any expansion of the geographic areas covered by the SSI Network (i) will be subject to Airtime Provider's approval and timetable for expansion, and (ii) require Company's agreement to activate and maintain an agreed upon level of net additional Transceivers, to pay all or a portion of SSI's and Airtime Provider's expansion costs, and/or pay fees and charges for Services provided in the expanded geographic area over and above the fees and charges set forth in the Fees Schedule. Notwithstanding the foregoing, neither SSI nor Airtime Provider shall have any obligation to expand the geographic areas covered by the SSI Network in response to a request for such expansion made by Company.

7. **Billing Procedure.** SSI shall invoice Company on a monthly basis for all fees and charges incurred by Company under this Agreement. All fees and charges shall be due and payable by Company within thirty (30) days following the date of SSI's invoice.

Any undisputed balance not paid by such due date shall bear interest from and after the invoice date at the lesser of one and one half percent (1½%) per month (18% per annum) or the maximum rate allowed by law. All sales, use, withholding or other taxes, fees, tariffs, surcharges, assessments or any other charge imposed by a governmental or regulatory authority relating to this Agreement or the Services shall be paid by Company, including but not limited to any taxes, fees, tariffs, surcharges or assessments imposed directly or indirectly on SSI by any such governmental or regulatory authority which shall be passed through to Company by SSI. Company shall be liable for all fees and charges incurred under this Agreement, whether or not Company collects any fees and charges from its Customers.

#### 8. Company Responsibilities.

(a) Company shall comply with all laws, rules and regulations applicable to Company's business and provision of the Application.

(b) Company shall be solely responsible for procuring any and all other services necessary for the Application, including, without limitation, the provision of support services to its Customers, and shall be solely responsible for any and all costs and expenses related thereto.

(c) Company shall be solely responsible for procuring, installing, servicing and maintaining any and all hardware (including, without limitation, Transceivers) and software necessary for Company's use of the Application and Transceivers in connection with the Services.

(d) Company shall execute and maintain in full force and effect during the term of this Agreement SSI's standard software license for use of the SmartMeter™ system software.

#### 9. Disclaimer of Warranties and Limitation of Liabilities.

(a) EXCEPT AS EXPRESSLY SET FORTH HEREIN, SSI MAKE NO WARRANTIES, EXPRESS OR IMPLIED, CONCERNING THE SERVICES, THE TRANSCIVERS, THE APPLICATION, THE SSI NETWORK, OR ANY COMPONENT THEREOF, AND HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, RELATING THERETO,

INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR USE OR PURPOSE OR NON-INFRINGEMENT. Under no circumstances shall SSI or its Affiliates be liable to Company, any Customer or any other Person for any loss, injury or damage, of whatever kind or nature, resulting from or arising out of any mistakes, errors, omissions, delays or interruptions in the receipt, transmission, loss or storage of any messages, signals or information arising out of or in connection with the Services, the Application, or the Application's use of the SSI Network. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, SSI AND ITS AFFILIATES SHALL IN NO EVENT BE LIABLE TO COMPANY, ANY CUSTOMER OR ANY OTHER PERSON FOR INDIRECT, INCIDENTAL OR SPECIAL DAMAGES, LOST PROFITS, LOST SAVINGS OR ANY OTHER FORM OF CONSEQUENTIAL DAMAGES, REGARDLESS OF THE FORM OF ACTION, EVEN IF SSI HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

(b) EXCEPT WITH RESPECT TO SSI'S INDEMNITY OBLIGATIONS HEREIN, THE LIABILITY OF SSI FOR ANY CLAIM ARISING OUT OF THIS AGREEMENT OR THE SERVICES PROVIDED HEREUNDER, REGARDLESS OF THE FORM OF ACTION, SHALL NOT EXCEED IN THE AGGREGATE THE SUMS RECEIVED BY SSI HEREUNDER DURING THE TWELVE (12) MONTHS PRECEDING THE EVENT WHICH GAVE RISE TO SUCH CLAIM. CLAIMS NOT MADE WITHIN SIX (6) MONTHS AFTER THE FIRST EVENT GIVING RISE TO A CLAIM SHALL BE DEEMED WAIVED BY COMPANY.

(c) Company acknowledges the Application utilizes certain wireless messaging services provided through Airtime Provider and its Affiliates. AIRTIME PROVIDER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, CONCERNING ITS SERVICES, THE WIRELESS MESSAGING NETWORKS THROUGH WHICH ITS SERVICES ARE PROVIDED, THE APPLICATION OR ANY COMPONENT THEREOF, AND EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, RELATED THERETO, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE. Under no

circumstances shall Airtime Provider be liable to Company or any other Person for any loss, injury or damage, of whatever kind or nature, resulting from or arising out of any mistakes, errors, omissions, delays or interruptions in the receipt, transmission or storage of any messages, signals or information arising out of or in connection with its services, the Application or the Application's use of Airtime Provider's wireless messaging network. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, AIRTIME PROVIDER SHALL IN NO EVENT BE LIABLE TO COMPANY OR ANY OTHER PERSON FOR INDIRECT INCIDENTAL OR SPECIAL DAMAGES, LOST PROFITS, LOST SAVINGS OR ANY OTHER FORM OF CONSEQUENTIAL DAMAGES REGARDLESS OF THE FORM OF ACTION, EVEN IF AIRTIME PROVIDER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

#### 10. Indemnity.

(a) Company shall defend, indemnify and hold SSI and its Affiliates and all present and future directors, officers, employees and agents thereof harmless from and against any and all liabilities, losses, damages and costs, including reasonable attorneys' fees, resulting from, arising out of, or in any way connected with: (i) any breach by Company of any warranty, representation, covenant or obligation contained herein; (ii) the performance of Company's obligations hereunder; (iii) any use by Company or any Customer of the Application or Services not authorized by this Agreement; or (iv) any breach by SSI of its obligations to Airtime Provider which is directly caused by a breach by Company of any of its obligations hereunder. Company's indemnity obligations under this Section 10 shall survive the termination or expiration of this Agreement.

(b) Subject to the provisions of Section 9 above, SSI shall defend, indemnify, and hold Company and its Affiliates and all present and future directors, officers, employees and agents thereof harmless from and against any and all liabilities, losses, damages and costs, including reasonable attorneys' fees, resulting from, arising out of, or in any way connected with: (i) any breach by SSI of any warranty, representation, covenant or obligation contained herein; or (ii) the performance of SSI's obligations hereunder. SSI's indemnity obligations under this Section 10 shall survive the termination or expiration of this Agreement.

#### 11. Termination.

(a) For purposes of this Agreement "Event of Default" shall mean: (i) failure by a party to observe or perform in any material respect any of its material covenants or obligations contained in this Agreement; or (ii) a party's insolvency, assignment for the benefit of creditors, appointment or sufferance of appointment of a trustee, a receiver or similar officer, or commencement of a proceeding seeking reorganization, rehabilitation, liquidation or similar relief under the bankruptcy, insolvency or similar debtor-relief statutes.

(b) Upon the occurrence of an Event of Default, the party not in default shall have the right to terminate this Agreement upon written notice to the defaulting party if the defaulting party fails to cure such default within thirty (30) days of receiving such notice.

(c) Upon the termination or expiration of the agreement between SSI and the Airtime Provider, or receipt by SSI of notice to such effect, whichever is earlier, SSI shall have the right to terminate this Agreement upon 30 days written notice to the Company. In such an instance, subject to the terms of Section 9 above, the Company's sole remedy is the return by SSI to the Company of any fees or costs related to the unpaid Services SSI was to provide under the terms and conditions of this Agreement.

#### 12. Rights Upon Termination.

(a) Upon termination or expiration of this Agreement, SSI and Company, subject to the provisions of Section 12(b) below, will be released from all of their respective obligations occurring or arising after the date of such termination or expiration, except with respect to those obligations which by their nature are designed to survive termination or expiration including without limitation, Sections 6, 7, 9, 10, 12(b) and 13. No termination or expiration of this Agreement will relieve Company from the obligation to pay to SSI any amount due and owing for Services provided or from any liability to SSI arising from Company's breach of this Agreement.

(b) Upon the termination or expiration of this Agreement, the parties shall cooperate in good faith to wind down the relationship created under this Agreement in an orderly manner. SSI's provision of the Services to Company following the date of any

termination or expiration of this Agreement shall be subject to Company's compliance with the terms and conditions of this Agreement, including, without limitation, Company's timely payment to SSI for Services provided.

### 13. Confidentiality.

(a) Each party acknowledges that, during the Term of this Agreement, it may receive Confidential Information of the other party. Each party agrees that it will not use the other party's Confidential Information for purposes other in support of the performance of its obligations under this Agreement. Each party agrees that it will not disclose to third Persons the other party's Confidential Information without the prior written consent of the other party.

(b) In the event a party is required under applicable law, rule, regulation, court or administrative order to disclose Confidential Information of the other party, the first party shall use commercially reasonable efforts to: (i) give at least ten (10) days prior written notice of such disclosure to the other party; (b) limit such disclosure to the extent practicable; and (c) make such disclosure only to the extent so required. The parties' obligations under this Section 13 shall survive the termination or expiration of this Agreement.

(c) Upon termination or expiration of this Agreement, all Confidential Information in the possession of one party relating to the business of the other party, in whatever form, shall promptly be returned to that other party upon request.

(d) Notwithstanding the foregoing disclosure restrictions, SSI shall have the right to (i) make this Agreement available to Airtime Provider for its review and (ii) disclose that it is providing the Services to Company.

(e) Company agrees and acknowledges that any breach of Company's confidentiality obligations under this Agreement will result in irreparable harm to SSI for which damages would be an inadequate remedy. Therefore, notwithstanding anything in this Agreement to the contrary, Company agrees and acknowledges that SSI, in addition to any other remedies available to SSI, may enjoin Company's breach of its confidentiality obligations contained in this Agreement without the posting any form of bond otherwise required in seeking such relief.

### 14. Miscellaneous.

(a) **Assignment.** This Agreement may not be assigned or transferred by either party to any other Person without the prior written consent of the other party. For purposes of this Agreement, an assignment shall include a change of control of a party or any other transfer by operation of law. Notwithstanding the foregoing, SSI may assign this Agreement without the prior consent of Company to (i) any Person acquiring all of the outstanding stock of SSI or all or substantially all of the assets of SSI, or (ii) an Affiliate of SSI. In the event of any assignment of this Agreement, all terms and conditions hereof shall be binding upon and inure to the assignee as though such assignee were an original party hereto.

(b) **Announcements.** Neither party shall make or issue any public announcement concerning the subject matter of the Agreement without the prior written consent of the other party; provided, however, that Company shall cooperate with SSI in good faith to issue such public announcements when and where appropriate. Notwithstanding the foregoing SSI shall have the right to disclose that it is providing the Services to Company.

(c) **Force Majeure.** Neither party will be liable for any nonperformance under this Agreement (other than non-performance of payment obligations hereunder) due to causes beyond its reasonable control that could not have been reasonably anticipated by the non-performing party as of the execution of this Agreement and that cannot be reasonably avoided or overcome including, without limitation, natural catastrophe, labor dispute or strike, act of God, war, act of terrorism, municipal ordinance, state or federal law, governmental order or regulation.

(d) **Independent Parties.** None of the provisions of this Agreement shall be deemed to constitute a partnership, joint venture, employment or any other relationship between the parties hereto, and neither party shall have any authority to bind the other in any manner. Neither party shall have or hold itself out as having any right, authority or agency to act on behalf of the other party in any capacity or in any manner, except as may be specifically authorized in this Agreement.

(e) **Governing Law.** The validity, construction and performance of this Agreement will be governed by and construed in accordance with

applicable laws of the State of Delaware without regard to its principles of conflict of law.

(f) **Severability.** If any provision of this Agreement shall be held to be illegal, invalid, or unenforceable, such provision will be enforced to the maximum extent permissible so as to effect the intent of the parties, and the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(g) **No Waiver.** No delay or failure by either party in exercising any right under this Agreement, and no partial or single exercise of that right, shall constitute a waiver of that or any other right.

(h) **Counterparts.** This Agreement may be executed in one or more counterparts, each of which will be deemed an original, but which collectively will constitute one and the same instrument.

(i) **Headings.** The headings and captions used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

(j) **Construction.** This Agreement has been negotiated by the parties and their respective counsel. This Agreement will be interpreted fairly in accordance with its terms and without any strict construction in favor of or against either party based on draftsmanship of the Agreement or otherwise.

(k) **Complete Agreement.** This Agreement, including the Software License and other Exhibits attached hereto, constitutes the entire agreement between the parties with respect to the subject matter hereof, and supersedes and replaces all prior or contemporaneous understandings or agreements, written or oral, regarding such subject matter. No amendment to or modification of this Agreement will be binding unless in writing and signed by a duly authorized representative of both parties.

(l) **Dispute Resolution.** In the event of any dispute controversy or claim arising out of relating to or in connection with this Agreement, including the interpretation, breach, termination or validity thereof, the parties agree to attempt to resolve such dispute, controversy or claim through amicable settlement discussion. Failing resolution of the dispute, controversy or claim within thirty (30) days after initiation of such settlement discussions, either party may submit the dispute, controversy or claim to final and binding arbitration to be conducted in accordance with the Commercial Rules of the American Arbitration Association ("AAA"), then in effect, as modified herein or by mutual agreement of the parties (the "Rules"). Unless otherwise agreed by the parties, the arbitration will be conducted by a single arbitrator selected in accordance with the Rules; provided, however, such arbitrator must be knowledgeable in the field of telemetry. The arbitration shall be conducted in Atlanta, Georgia. The arbitral award shall be in writing and shall be final and binding on the parties and may include an award of costs, including reasonable attorneys' fees and disbursements / costs shared. Judgment on the arbitral award may be entered in any court of competent jurisdiction. Each party retains the right to seek judicial assistance (i) to compel arbitration, (ii) to obtain interim measures of protection pending arbitration, and (iii) to enforce any decision of the arbitrator, including the final award. Each party shall continue to perform its respective obligations hereunder pending resolution of any dispute, controversy or claim in accordance with the terms of this Section 14(l).

## Exhibit B – Fees Schedule

### I. AMR Plan

Channels	Intervals	Load Profile	Billing Read	On-Demand Reads	Outage/Restoration Alarms	Monthly Fee
1	15	Daily	Monthly	2	6	\$7.00
2	15	Daily	Monthly	2	6	\$9.00

#### Additional Reads (incremental to above plan):

a. On-Demand Read	\$0.20
b. Outage / Restoration Notification	\$0.10
c. Meter Diagnostic Alarm	\$0.10

### II. Other Fees

a. CVU (Coverage Validation Unit) monthly fee - unlimited service	\$30.00
b. Activation fee per unit (one-time)	\$10.00



# EXHIBIT

"B"

**Karen Cathers**

---

**From:** Karen Cathers [kcathers@trico.coop]  
**Sent:** Wednesday, January 13, 2010 4:35 PM  
**To:** 'Barbara Keene'; 'Jeffrey Pasquinelli'  
**Cc:** Vincent Nitido (vnitido@trico.coop)  
**Subject:** Trico Responses to James Arkoosh Data Requests Regarding REST and Net Metering  
**Attachments:** Arkoosh\_It 11-24-09.pdf; Trico REST James Arkoosh Data Request Response E-01461A-09-0449.doc; Trico Net Metering Tariff James Arkoosh Data Request Response E-01461A-09-0450.doc; Schedule DH1.pdf

Barbara and Jeff,

Per our discussion at today's Open Meeting, please see the attached copy of the Trico responses to Mr. Arkoosh regarding REST and Net Metering (includes the cover letter). If you have any questions please let me know.

Thank you,  
Karen

Trico Electric Cooperative, Inc.  
(520) 744-2944 ext 1335

3/29/2010



Waterfall Economidis Caldwell  
Hanshaw Villamana  
A PROFESSIONAL CORPORATION

Williams Centre | 8th Floor | 5210 East Williams Circle | Tucson, Arizona 85711-4478  
t 520.790.5828 | f 520.745.1279

Russell E. Jones  
Direct Line:  
(520) 202-7833  
E-mail: [rjones@wechv.com](mailto:rjones@wechv.com)

November 24, 2009

Mr. James M. Arkoosh  
65227 E. Emerald Ridge Drive  
Tucson, AZ 85739-1434

**Re: Net Metering Tariff, Docket No. E-01461A-09-0450**  
**REST, Docket No. E-01461A-09-0449**

Dear Mr. Arkoosh:

This will acknowledge receipt of your two November 9, 2009 letters to Vincent Nitido, CEO and General Manager of Trico Electric Cooperative, Inc., in which you set forth questions in the two above named Dockets.

Enclosed please find Trico's responses to each of your questions. As an Intervenor in each of such Dockets you will receive from Trico all of its filings with the Commission and the Commission's Docket Control in each of such Dockets.

Very truly yours,

WATERFALL ECONOMIDIS CALDWELL  
HANSHAW & VILLAMANA, P.C.

Russell E. Jones  
*Attorneys for Trico Electric Cooperative, Inc.*

REJ/cw  
Enclosure  
cc: Vin Nitido  
Karen Cathers

**TRICO ELECTRIC COOPERATIVE, INC**  
**RESPONSES TO JAMES ARKOOSH**  
**SET OF DATA REQUESTS**  
**NET METERING TARIFF DOCKET NO. E-01461A-09-0450**  
**Dated November 9, 2009**

Trico has included answers to the questions pertaining to the SunWatts Program in its' responses to the data request from Mr. Arkoosh regarding the Trico Renewable Energy Standard and Tariff Docket No. E-01461A-09-0449. The following includes Trico's responses to questions from Mr. Arkoosh regarding the Trico Net Metering Tariff application Docket No. E-01461A-09-0450.

- (1) **QUESTION: Per your tariff request, please provide your actual current hard costs for Bi - directional meters that you are currently providing (equipment costs only):**

**RESPONSE:** The Cooperative net metering tariff includes a one-time up-front payment to Trico from the customer to cover any incremental cost of the meter if they require an upgraded meter due solely for Trico to provide net metering service. The pricing for the smarter meters has come down over the last few years and we hope that this trend will continue. Some existing customers already have the smarter meter capable of providing the data for net metering (e.g. certain time-of-use customers and cogeneration customers). Trico will only charge the incremental meter cost for those customers that require a meter upgrade for net metering service and will base this incremental cost on the actual meter price.

The standard Trico residential meter currently has a price of approximately \$134. This meter is not able to provide the bi-directional interval data necessary to bill a net metering customer. The standard Trico meter capable of providing the data for net metering currently runs about \$350.

**RESPONDENT:** Karen Cathers, Manager of Contracts and Regulatory Affairs

- (2) **QUESTION: Define what the phrase "watt" "(not kw or kva demand...) as used in your draft tariff means**

**RESPONSE:** The watt or "W" is a derived unit of power in the International System of Units (SI). It measures rate of energy conversion. The kilowatt or "kW" is equal to one thousand watts.

**RESPONDENT:** Karen Cathers, Manager of Contracts and Regulatory Affairs

- (3) **QUESTION: Per R14-2-2304, the utility is required to record the accumulating kWh in both directions in each billing period. Please provide information on the cost of transmitting this data assuming transmitted only once a month on the last day of the month. Please provide detailed information for the proposed administrative charge of \$4.38. Per R14-2-2305, this shall be fully supported via a "cost of services study and benefit**

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**cost analysis.” Per the above, provide details of any services in the proposed net metering administrative charge which are currently included in the standard tariff administrative charge of \$15.00.**

**RESPONSE:** The administrative charge included in the Trico proposed net metering tariff of \$4.38 per month is in addition to the charges as billed in accordance with rates and charges under the standard rate schedule. The administrative charge recovers certain incremental costs associated with the additional data requirements required to ensure accurate billing of the net metered customer as well as to determine the cost allocations between Trico, AEPCO and the customer in providing net metering service. In order to determine the appropriate billing for the net metering customer Trico requires at a minimum by-directional 30-minute interval data. The additional monthly cost to collect this data and process it corresponds to \$4.38.

Schedule DH-1 attached provides the calculation of the additional cost and components. The total cost for interval data retrieval of \$5.00 per month corresponds directly to the cell phone charge that Trico receives to download the monthly 30-minute interval data from each meter (charge is based on total data transfer not on the number of times the meter is called). The total cost for interval data reduction/storage of \$1 is to provide a representative portion of the cost for Trico to store, check and reduce the data to monthly total values for transfer to the Trico billing software. The \$6 amount is reduced by \$1.62 which is the meter reading cost included in Trico’s standard rate tariffs. The result is an incremental additional monthly meter reading cost for the net metering customer of \$4.38.

The charges described above are based on the difference between the cost to provide service to a standard customer versus the increased cost for a net metering customer. The standard costs included in the approved tariffs were based on the Trico cost of service study approved by the commission in Trico’s last rate case (Decision No. 71230). As shown above, the increased cost to provide services to the net metering customer are based on the actual estimate of costs. The information provides a simple incremental cost of service analysis.

**RESPONDENT:** Karen Cathers, Manager of Contracts and Regulatory Affairs

- (4) QUESTION: Annual Average Avoided Cost: Using 2008 data, please provide a mathematical calculation of what this amount would be under your proposed net metering tariff. (What is the calculated amount per kWh received?) R14-2-2307 (B) requires the utility to “specify standard rates” for annual excess electricity purchased from net metering facilities. Why has the Utility not provided a standard rate?**

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**RESPONSE:** The annual average avoided cost is defined in the Trico Net Metering Tariff as the average annual wholesale fuel and energy costs per kWh charged by the cooperative's wholesale power supplier, Arizona Electric Power Cooperative, Inc. (AEPCO). This definition reflects the incremental costs to the cooperative that the cooperative would purchase from AEPCO for energy, but for the purchase from the Net Metering Facility output. The annual average avoided cost per kWh is the price paid by Trico to the net metering customer for any excess energy credit at the end of the calendar year true up period (May 1 through April 30).

The AEPCO energy price is set by a Commission approved rate tariff (base rate) plus a Commission approved fuel and purchase power cost adjustor (FPPCA), which AEPCO modifies through a semi-annual filing required by the Commission that results in new FPPCA rates each year on April 1<sup>st</sup> and October 1<sup>st</sup>. Below find a spreadsheet summarizing the AEPCO actual energy rates charged to Trico for the period of May 2008 through April 2009, which as an example Trico would use for the purpose of determining the billing credit for the balance of any excess at the end of this example annual period (results in an annual average avoided cost of \$0.04205/kWh).

2008-2009 Historical Arizona Electric Power Cooperative Rates				
Month	Year	Base Energy Rate	Fuel Adjustor (FPPCA)	Total Energy Rate
		\$/kWh	\$/kWh	\$/kWh
May	2008	0.02073	0.01272	0.03345
Jun	2008	0.02073	0.01272	0.03345
Jul	2008	0.02073	0.01476	0.03549
Aug	2008	0.02073	0.01476	0.03549
Sep	2008	0.02073	0.01476	0.03549
Oct	2008	0.02073	0.02674	0.04747
Nov	2008	0.02073	0.02674	0.04747
Dec	2008	0.02073	0.02674	0.04747
Jan	2009	0.02073	0.02674	0.04747
Feb	2009	0.02073	0.02674	0.04747
Mar	2009	0.02073	0.02674	0.04747
Apr	2009	0.02073	0.02563	0.04636
Average Annual		0.02073	0.02132	0.04205

**RESPONDENT:** Karen Cathers, Manager of Contracts and Regulatory Affairs

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- (5) **QUESTION: Calendar Year. After years of settling with member solar-generating facilities on a December 31 year end, why is the utility requesting an April 30 year end? Please explain why the Utility is expressly reducing payment to a net metering facility by changing to a date that is the most favorable to the Utility and the most disadvantageous to the net metering facility?**

**RESPONSE:** In the Trico Net Metering Tariff definitions section, the Calendar Year is defined as May 1 through April 30, for the purpose of determining the billing credit for the balance of any credit due in excess of the amounts owed by the customers to the Cooperative.

Although the net metering tariff allows for the carryover of excess energy produced to be used in subsequent billing months, the Calendar Year true-up limits that carry over for full credit at the retail rate to a twelve month period. The definition of the Calendar Year twelve months ending April 30 will allow Trico to appropriately compensate the customer for excess energy generated in the off-peak season at avoided cost. Preventing the carry over of excess energy produced in the off-peak season to be used in the on-peak summer season will reduce the negative financial impact on the overall membership of the cooperative, as well as, provide an incentive for net metering customers to size their generation to more closely fit their actual load requirements.

**RESPONDENT:** Karen Cathers, Manager of Contracts and Regulatory Affairs

- (6) **QUESTION: Calendar Year. Is there any reason TRICO could not implement a year end of September 30. Provide authority from the existing net metering rules that allows the Utility to establish an April 30 yearend while its normal yearend is December 31.**

**RESPONSE:** See response to the question 5 above. Trico understands that in R14-2-2306-F of the Net Metering Rules, the Utility is required to define the calendar year that it proposes to utilize for determining the billing credit for the balance of any credit due in excess of the amounts owed by the customers to the Utility at avoided cost.

**RESPONDENT:** Karen Cathers, Manager of Contracts and Regulatory Affairs

- (7) **QUESTION: An illustration of your current cost of purchasing kWh from AEPCO. Are these costs directly passed on to residential customers?**

**RESPONSE:** See response to the question 4 above. Trico passes the wholesale power costs from AEPCO to its members/customers through its rates

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and Wholesale Power Cost Adjuster, as approved by the Commission in Decision No. 71230.

**RESPONDENT:** Karen Cathers, Manager of Contracts and Regulatory Affairs

- (8) QUESTION: What was your current total cost to purchase one additional kWh from AEPCO on last of July, 2009 and September 2009?**

**RESPONSE:** The AEPCO July 2009 and September 2009 energy rate to Trico included a base rate of \$0.02073/kWh and a FPPCA of \$0.02563/kWh for a total energy charge of \$0.04636/kWh.

**RESPONDENT:** Karen Cathers, Manager of Contracts and Regulatory Affairs

- (9) QUESTION: Does TRICO have any ownership interest in AEPCO? If so, in what form?**

**RESPONSE:** Trico does not have any ownership of the physical assets of AEPCO. However, Trico is a Class A Member of AEPCO and as such it is one of the member owners of AEPCO, which provides that Trico has two members on the Board of Directors of AEPCO.

**RESPONDENT:** Karen Cathers, Manager of Contracts and Regulatory Affairs

- (10) QUESTION: Is TRICO in partnership with AEPCO?**

**RESPONSE:** No.

**RESPONDENT:** Karen Cathers, Manager of Contracts and Regulatory Affairs

- (11) QUESTION: Is it correct to say that TRICO has an ACC approved contract to purchase energy from AEPCO at an approve tariff rate and if TRICO needs incremental energy from AEPCO then TRICO pays the AEPCO the Tariff rate for the incremental energy?**

**RESPONSE:** Yes, Trico currently has an all requirements Wholesale Power Contract with AEPCO. Both Trico and AEPCO are regulated by the ACC so their respective rates and charges are prescribed by the ACC.

**RESPONDENT:** Karen Cathers, Manager of Contracts and Regulatory Affairs



Schedule DH-1

TRICO ELECTRIC COOPERATIVE, INC

DEVELOPMENT OF MONTHLY ADMINISTRATIVE CHARGE  
FOR NET METERING TARIFF

Total Cost for Interval Data Retrieval	\$	5.00
Total Cost for Interval Data Reduction/Storage	\$	1.00
Total Meter Reading Cost for Net Metered Customer	\$	6.00
Meter Reading Cost Recovered in Standard Rate	\$	1.62
Additional Meter Reading Cost	\$	4.38